

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

IN RE MUNICIPAL DERIVATIVES  
ANTITRUST LITIGATION

THIS DOCUMENT RELATES TO:

*City of Stockton v. Bank of America, N.A., et al.* No. 08-10350

MDL No. 1950

Master Docket No. 08-02516 (VM)  
(GWG)

**UBS AG'S, UBS FINANCIAL  
SERVICES, INC.'S AND UBS  
SECURITIES LLC'S ANSWER TO  
CITY OF STOCKTON'S  
THIRD AMENDED COMPLAINT**

Defendant, UBS AG, UBS Financial Services, Inc. and UBS Securities, LLC (collectively “UBS”),<sup>1</sup> through their undersigned counsel, hereby answer and assert the following affirmative defenses to the Third Amended Complaint (“Complaint”) filed by plaintiff City of Stockton (“Plaintiff”):

**SPECIFIC RESPONSES**

1. The purported statement of Mr. Buffet speaks for itself and UBS denies any characterization of it. UBS denies the remainder of the allegations in ¶ 1 to the extent they are intended to reference actions taken by UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 1 pertaining to other entities, and UBS therefore denies them.

2. UBS admits that Department of Justice (“DOJ”) and FBI officials have made announcements concerning an investigation, including announcements that an indictment

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<sup>1</sup> For ease of reference only, UBS uses the term “UBS” in this Answer to refer to UBS AG, UBS Financial Services, Inc. UBS Securities, LLC or one or more subsidiaries or related entities. UBS denies that these entities are identical for purposes of this litigation.

was returned against CDR and three former employees of CDR on or about October 29, 2009.

UBS denies any characterization of the announcements as they speak for themselves. UBS denies all remaining allegations in ¶ 2.

3. UBS admits that the Complaint purports to arise out of the allegations contained in ¶ 3. To the extent the allegations are intended to reference actions taken by or on behalf of UBS, UBS denies the allegations in ¶ 3. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 3 pertaining to other entities, and UBS therefore denies them.

4. UBS admits that public entities may use certain Municipal Derivatives in a variety of different circumstances and for a range of different purposes. UBS denies the term “Municipal Derivatives” is an umbrella term that is used in the industry to describe the different types of financial instruments and transactions identified in this paragraph. Solely for ease of reference, in this Answer UBS will use the term “Municipal Derivatives” as defined in the Complaint; no agreement or waiver by such use is intended. The remainder of the allegations in ¶ 4 are overly generalized and simplistic, and UBS therefore denies them.

5. UBS denies the allegations in ¶ 5 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 5 pertaining to other entities, and UBS therefore denies them.

6. UBS admits that there are investigations by the DOJ, the Securities and Exchange Commission (“SEC”), the IRS and certain state attorneys general relating to certain Municipal Derivatives products, and that UBS has received document subpoenas from the DOJ, the SEC, and state attorneys general relating to these investigations. UBS lacks sufficient

information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 6, and UBS therefore denies them.

7. The purported statements of Mr. Anderson referenced in ¶ 7 speak for themselves, and UBS denies any characterization of them. To the extent that any further response is required, UBS denies the allegations in ¶ 7 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 7 pertaining to other entities, and UBS therefore denies them.

8. UBS denies the allegations in ¶ 8 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 8 pertaining to other entities, and UBS therefore denies them.

9. UBS admits that Bank of America has publicly stated that it entered into a Corporate Conditional Leniency Letter with the DOJ in connection with an investigation of certain Municipal Derivatives products. That Letter speaks for itself and UBS, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the purported statement referenced in ¶ 9, and UBS therefore denies them. UBS denies all remaining allegations in ¶ 9.

10. UBS admits that it has received a Wells notice from the SEC. The Wells notice speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 10, and UBS therefore denies them.

11. UBS admits that DOJ is conducting an investigation relating to certain types of Municipal Derivatives products and that the DOJ has requested a partial stay of discovery in these proceedings. The stay request speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 11, and UBS therefore denies them.

12. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 12, and UBS therefore denies them.

13. UBS states that the purported statement of Mr. Blumenthal speaks for itself, and UBS denies any characterization of it. UBS denies the allegations in ¶ 13 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 13, and UBS therefore denies them.

14. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 14, and UBS therefore denies them.

15. UBS admits that an indictment has been returned against CDR and three former employees of CDR on or about October 29, 2009, but denies any characterization of the document as the indictment speaks for itself. The purported statements by DOJ officials speak for themselves and UBS denies any characterization of them. UBS denies all remaining allegations in ¶ 15.

16. The indictment referenced in ¶ 16 speaks for itself, and UBS any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 16 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS

lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 16 pertaining to other entities, and UBS therefore denies them.

17. The indictment referenced in ¶ 17 speaks for itself, and UBS any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 17 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 17 pertaining to other entities, and UBS therefore denies them.

18. The purported quotes from the *Bond Buyer* article referenced in ¶ 18 speak for themselves, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 18, and UBS therefore denies them.

19. UBS denies the allegations in ¶ 19 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 19 pertaining to other entities, and UBS therefore denies them.

20. UBS admits that the DOJ has requested a partial stay of discovery in these proceedings. The stay request speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 20, and UBS therefore denies them.

21. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 21, and UBS therefore denies them.

22. UBS denies the allegations in ¶ 22 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge

to form a belief as to the truth of the allegations in ¶ 22 pertaining to other entities, and UBS therefore denies them.

23. UBS denies the allegations in ¶ 23 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 23 pertaining to other entities, and UBS therefore denies them.

24. UBS denies the allegations in ¶ 24 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 24 pertaining to other entities, and UBS therefore denies them.

25. UBS denies the allegations in ¶ 25 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 25 pertaining to other entities, and UBS therefore denies them.

26. Paragraph 26 is a legal statement to which no response is required, and on that basis UBS denies these allegations.

27. Paragraph 27 is a legal statement to which no response is required, and on that basis UBS denies these allegations.

28. Paragraph 28 is a legal statement to which no response is required, and on that basis UBS denies these allegations.

29. Paragraph 29 is a legal statement to which no response is required, and on that basis UBS denies these allegations.

30. Paragraph 30 is a legal statement to which no response is required, and on that basis UBS denies these allegations.

31. Paragraph 31 is a legal statement to which no response is required, and on that basis UBS denies these allegations.

32. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in the first four sentences of ¶ 32, and UBS therefore denies them. UBS denies the allegations in the fifth sentence of ¶ 32 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in the fifth sentence of ¶ 32 pertaining to Plaintiff and other entities, and UBS therefore denies them.

33. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in the first three sentences of ¶ 33, and UBS therefore denies them. UBS denies the allegations in the fourth and fifth sentences of ¶ 33 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in the fourth and fifth sentences of ¶ 33 pertaining to Plaintiff and other entities, and UBS therefore denies them.

34. UBS admits that the term “provider” is sometimes used to refer to entities that are counterparties to issuers in certain types of Municipal Derivatives transactions. UBS admits that it has acted as a counterparty to public entities on certain Municipal Derivatives transactions during certain periods of time. UBS denies the remainder of the allegations in ¶ 34 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 34, and UBS therefore denies them.

35. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 35, and UBS therefore denies them.

36. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 36, and UBS therefore denies them.

37. UBS admits that (i) UBS AG is a banking corporation organized under the laws of Switzerland, with its headquarters located in Zurich and Basel, Switzerland; (ii) UBS Financial Services, Inc. and UBS Securities, LLC are wholly owned subsidiaries of UBS AG; and (iii) a desk within UBS sold certain Municipal Derivatives products during certain periods of time. UBS denies all remaining allegations in ¶ 37, including but not limited to allegations that UBS was a member of any conspiracy.

38. UBS admits that (i) UBS Financial Services, Inc. is a Delaware corporation with its principal place of business in New York, New York; (ii) UBS Financial Services, Inc. is a wholly owned subsidiary of UBS AG; (iii) in or about 2000, UBS AG acquired PaineWebber Inc.; and (iv) a desk within UBS sold certain Municipal Derivatives products during certain periods of time. UBS denies all remaining allegations in ¶ 38, including but not limited to allegations that UBS was a member of any conspiracy.

39. UBS admits that (i) UBS Securities, LLC is a Delaware corporation with its principal place of business in Stamford, Connecticut; (ii) UBS Securities, LLC is a wholly owned subsidiary of UBS AG; and (iii) a desk within UBS sold certain Municipal Derivatives products during certain periods of time. UBS denies all remaining allegations in ¶ 39, including but not limited to allegations that UBS was a member of any conspiracy.

40. Paragraph 40 contains no factual allegations to which a response is required, and on that basis is denied.

41. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 41, and UBS therefore denies them.

42. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 42, and UBS therefore denies them.

43. Paragraph 43 contains no factual allegations to which a response is required, and on that basis is denied.

44. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 44, and UBS therefore denies them.

45. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 45, and UBS therefore denies them.

46. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 46, and UBS therefore denies them.

47. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 47, and UBS therefore denies them.

48. Paragraph 48 contains no factual allegations to which a response is required, and on that basis is denied.

49. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 49, and UBS therefore denies them.

50. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 50, and UBS therefore denies them.

51. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 51, and UBS therefore denies them.

52. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 52, and UBS therefore denies them.

53. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 53, and UBS therefore denies them.

54. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 54, and UBS therefore denies them.

55. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 55, and UBS therefore denies them.

56. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 56, and UBS therefore denies them.

57. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 57, and UBS therefore denies them.

58. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 58, and UBS therefore denies them.

59. Paragraph 59 contains no factual allegations to which a response is required, and on that basis is denied.

60. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 60, and UBS therefore denies them.

61. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 61, and UBS therefore denies them.

62. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 62, and UBS therefore denies them.

63. Paragraph 63 contains no factual allegations to which a response is required, and on that basis is denied.

64. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 64, and UBS therefore denies them.

65. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 65, and UBS therefore denies them.

66. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 66, and UBS therefore denies them.

67. Paragraph 67 contains no factual allegations to which a response is required, and on that basis is denied.

68. The allegations of ¶ 68 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 68, and UBS therefore denies them.

69. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 69, and UBS therefore denies them.

70. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 70, and UBS therefore denies them.

71. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 71, and UBS therefore denies them.

72. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 72, and UBS therefore denies them.

73. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 73, and UBS therefore denies them.

74. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 74, and UBS therefore denies them.

75. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 75, and UBS therefore denies them.

76. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 76, and UBS therefore denies them.

77. Paragraph 77 contains no factual allegations to which a response is required, and on that basis is denied.

78. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 78 pertaining to other entities, and UBS therefore denies them.

79. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 79 pertaining to other entities, and UBS therefore denies them.

80. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 80 pertaining to other entities, and UBS therefore denies them.

81. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 81 pertaining to other entities, and UBS therefore denies them.

82. Paragraph 82 contains no factual allegations to which a response is required, and on that basis is denied.

83. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 83 pertaining to other entities, and UBS therefore denies them.

84. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 84 pertaining to other entities, and UBS therefore denies them.

85. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 85 pertaining to other entities, and UBS therefore denies them.

86. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 86 pertaining to other entities, and UBS therefore denies them.

87. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 87 pertaining to other entities, and UBS therefore denies them. The last sentence of ¶ 87 contains no factual allegations to which a response is required, and on that basis also is denied.

88. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 88, and UBS therefore denies them.

89. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 89 pertaining to other entities, and UBS therefore denies them.

90. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 90 pertaining to other entities, and UBS therefore denies them.

91. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 91 pertaining to other entities, and UBS therefore denies them.

92. Paragraph 92 contains no factual allegations to which a response is required, and on that basis is denied.

93. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a

belief as to the truth of the remaining allegations in ¶ 93 pertaining to other entities, and UBS therefore denies them.

94. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 94, and UBS therefore denies them.

95. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 95, and UBS therefore denies them.

96. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 96, and UBS therefore denies them.

97. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 97 pertaining to other entities, and UBS therefore denies them.

98. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 98 pertaining to other entities, and UBS therefore denies them.

99. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 99 pertaining to other entities, and UBS therefore denies them.

100. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a

belief as to the truth of the remaining allegations in ¶ 100 pertaining to other entities, and UBS therefore denies them.

101. Paragraph 101 contains no factual allegations to which a response is required, and on that basis is denied.

102. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 102 pertaining to other entities, and UBS therefore denies them.

103. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 103 pertaining to other entities, and UBS therefore denies them.

104. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 104 pertaining to other entities, and UBS therefore denies them.

105. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 105 pertaining to other entities, and UBS therefore denies them.

106. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a

belief as to the truth of the remaining allegations in ¶ 106 pertaining to other entities, and UBS therefore denies them.

107. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 107 pertaining to other entities, and UBS therefore denies them.

108. UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 108 pertaining to other entities, and UBS therefore denies them.

109. UBS admits that states, cities, counties, and other governmental and private entities may issue bonds to raise funds for a variety of different reasons and purposes. The remainder of the allegations in ¶ 109 are overly generalized and simplistic, and UBS therefore denies them.

110. UBS admits that the term “issuer” may be used in a variety of different contexts and with regards to a variety of different types of transactions. The remainder of the allegations in ¶ 110 are overly generalized and simplistic, and UBS therefore denies them.

111. UBS admits that some of the providers of certain Municipal Derivatives products may be insurance companies and banks, but UBS denies that all Municipal Derivatives are provided by such entities or that all such entities are providers of Municipal Derivatives. The remainder of the allegations in ¶ 111 are overly generalized and simplistic, and UBS therefore denies them.

112. UBS admits that a public or non-profit entity may engage certain types of brokers to assist it in obtaining certain types of Municipal Derivative products through the use of a competitive bidding process. The remainder of the allegations in ¶ 112 are overly generalized and simplistic, and UBS therefore denies them.

113. UBS admits that when the interest on bonds is expected to be exempt from federal taxation, some investors may accept lower interest payments on those bonds than they would if the interest on the bonds were expected to be taxed by the federal government. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 113, and UBS therefore denies them.

114. UBS admits that: (1) some municipal bonds pay interest at a fixed or variable rate, which may reference an index; (2) that bond investors in certain circumstances may purchase bonds in exchange for payment of a principal amount to the issuer of the bonds; and (3) maturity dates for some municipal bonds may span periods of years. The remainder of the allegations in ¶ 114 are overly generalized and simplistic, and UBS therefore denies them.

115. UBS admits that some bond issuers have also issued variable rate demand bonds and auction rate securities, which can have varying characteristics. The remainder of the allegations in ¶ 115 are overly generalized and simplistic, and UBS therefore denies them.

116. UBS admits that municipal bond proceeds may be placed into a range of different types of funds that serve a range and variety of potential purposes and uses. The remainder of the allegations in ¶ 116 are overly generalized and simplistic, and UBS therefore denies them.

117. UBS denies that the term “Municipal Derivatives” is a term that is used in the industry to describe the different types of financial instruments and transactions identified

in this paragraph. Solely for ease of reference, in this Answer UBS will use the term “Municipal Derivatives” as defined in the Complaint; no agreement or waiver by such use is intended. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 117, and UBS therefore denies them.

118. UBS denies the allegations contained in ¶ 118, including the definition of “Municipal Derivatives” contained in ¶ 118. UBS denies the term “Municipal Derivatives” is a term that is used in the industry to describe the different types of financial instruments and transactions identified in this paragraph. Solely for ease of reference, in this Answer UBS will use the term “Municipal Derivatives” as defined in the Complaint; no agreement or waiver by such use is intended.

119. UBS admits that public and non-profit entities may choose to invest bond proceeds in a variety of different circumstances and through a variety of types of financial transactions. The last sentence of ¶ 119 contains no factual allegations to which a response is required, and on that basis is denied. The remainder of the allegations in ¶ 119 are overly generalized and simplistic, and UBS therefore denies them.

120. UBS admits that a swap may describe a range of different Municipal Derivative transactions with varying terms and features. UBS admits that issuers of municipal bonds may use swaps for a variety of purposes. The fourth sentence of ¶ 120 contains no factual allegations to which a response is required, and on that basis is denied. The remainder of the allegations in ¶ 120 are overly generalized and simplistic, and UBS therefore denies them.

121. UBS admits that a forward sales agreement may describe a range of different types of Municipal Derivative transactions with varying terms and features. The

remainder of the allegations in ¶ 121 are overly generalized and simplistic, and UBS therefore denies them.

122. UBS admits that a GIC may describe a range of different types of Municipal Derivative transactions with varying terms and features. UBS admits that certain insurance companies and investment banks are GIC providers, but denies that all insurance companies and investment banks provide GICs or that all GICs are provided by insurance companies and investment banks. The remainder of the allegations in ¶ 122 are overly generalized and simplistic, and UBS therefore denies them.

123. UBS admits that a Repurchase Agreement or “Collateralized GIC” may describe a range of different Municipal Derivative transactions with varying terms and features. The remainder of the allegations in ¶ 123 are overly generalized and simplistic, and UBS therefore denies them.

124. UBS admits that an unsecured or uncollateralized GIC may describe a range of different Municipal Derivative transactions with varying terms and features. The remainder of the allegations in ¶ 124 are overly generalized and simplistic, and UBS therefore denies them.

125. UBS admits that a forward agreement may describe a range of different Municipal Derivative transactions with varying terms and features. The remainder of the allegations in ¶ 125 are overly generalized and simplistic, and UBS therefore denies them.

126. UBS admits that public and non-profit entities may choose to issue bonds to refinance prior bond issuances in certain circumstances. UBS admits that an advanced refunding escrow may describe a range of different Municipal Derivative transactions with

varying terms and features. The remainder of the allegations in ¶ 126 are overly generalized and simplistic, and UBS therefore denies them.

127. Paragraph 127 contains no factual allegations to which a response is required, and on that basis is denied.

128. UBS admits that a swap may describe a range of different Municipal Derivative transactions with varying terms and features. The remainder of the allegations in ¶ 128 are overly generalized and simplistic, and UBS therefore denies them.

129. UBS admits that issuers of municipal bonds may use swaps for a variety of purposes. The remainder of the allegations in ¶ 129 are overly generalized and simplistic, and UBS therefore denies them.

130. UBS admits that a swap may describe a range of different Municipal Derivative transactions with varying terms and features. The remainder of the allegations in ¶ 130 are overly generalized and simplistic, and UBS therefore denies them.

131. UBS admits that issuers of municipal bonds may use swaps for a variety of purposes. The remainder of the allegations in ¶ 131 are overly generalized and simplistic, and UBS therefore denies them.

132. UBS admits a swap may have varying terms and features. The remainder of the allegations in ¶ 132 are overly generalized and simplistic, and UBS therefore denies them.

133. The allegations in ¶ 133 are overly generalized and simplistic, and UBS therefore denies them.

134. The allegations in ¶ 134 are overly generalized and simplistic, and UBS therefore denies them.

135. The allegations in ¶ 135 are overly generalized and simplistic, and UBS therefore denies them.

136. The allegations in ¶ 136 are overly generalized and simplistic, and UBS therefore denies them.

137. The allegations in ¶ 137 are overly generalized and simplistic, and UBS therefore denies them.

138. UBS denies the allegations in ¶ 138 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 138, and UBS therefore denies them.

139. UBS denies the allegations in ¶ 139 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 139 pertaining to other entities, and UBS therefore denies them.

140. UBS admits that an “interest rate floor agreement” may describe a range of different Municipal Derivative transactions with varying terms and features. UBS admits that issuers of municipal bonds may use “interest rate floor agreements” for a variety of purposes. The remainder of the allegations in ¶ 140 are overly generalized and simplistic, and UBS therefore denies them.

141. UBS admits that an “interest rate ceiling agreement” may describe a range of different Municipal Derivative transactions with varying terms and features. UBS admits that issuers of municipal bonds may use “interest rate ceiling agreements” for a variety of purposes.

The remainder of the allegations in ¶ 141 are overly generalized and simplistic, and UBS therefore denies them.

142. UBS admits that a “collar agreement” may describe a range of different Municipal Derivative transactions with varying terms and features. UBS admits that issuers of municipal bonds may use “collar agreements” for a variety of purposes. The remainder of the allegations in ¶ 142 are overly generalized and simplistic, and UBS therefore denies them.

143. UBS admits that an “option” may describe a range of different Municipal Derivative transactions with varying terms and features. The remainder of the allegations in ¶ 143 are overly generalized and simplistic, and UBS therefore denies them.

144. UBS admits that a “swaption” may describe a range of different Municipal Derivative transactions with varying terms and features. The remainder of the allegations in ¶ 144 are overly generalized and simplistic, and UBS therefore denies them.

145. Paragraph 145 contains no factual allegations to which a response is required, and on that basis is denied.

146. UBS denies the allegations in ¶ 146 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 146 pertaining to other entities, and UBS therefore denies them.

147. UBS denies the allegations in ¶ 147 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 147 pertaining to other entities, and UBS therefore denies them.

148. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 148 regarding the purported statements of a confidential witness, and UBS therefore denies them. To the extent that any further response is required, UBS denies the remainder of the allegations in ¶ 148 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 148 pertaining to other entities, and UBS therefore denies them.

149. UBS lacks sufficient information or knowledge to form a belief as to the purported statements of a confidential witness, and UBS therefore denies them. To the extent that any further response is required, UBS denies the remainder of the allegations in ¶ 149 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 149 pertaining to other entities, and UBS therefore denies them.

150. The allegations in ¶ 150 are overly generalized and simplistic, and UBS therefore denies them.

151. UBS denies the allegations in ¶ 151 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 151 pertaining to other entities, and UBS therefore denies them.

152. UBS denies the allegations in ¶ 152 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 152 pertaining to other entities, and UBS therefore denies them.

153. UBS denies the allegations in ¶ 153 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 153 pertaining to other entities, and UBS therefore denies them.

154. UBS admits that in certain auctions for certain types of Municipal Derivatives products, a broker solicits written bids from certain Municipal Derivatives providers and that brokers evaluate the bids pursuant to certain criteria. The remainder of the allegations in ¶ 154 are overly generalized and simplistic, and UBS therefore denies them.

155. The allegations in ¶ 155 are overly generalized and simplistic, and UBS therefore denies them.

156. The IRS regulations to which this paragraph refers speak for themselves, and UBS refers to the content of such regulations and denies any allegations inconsistent therewith. UBS admits that a competitive bidding process may be used in connection with certain types of Municipal Derivative products. UBS lacks sufficient information or knowledge to form a belief as to the remainder of the allegations in ¶ 156, and UBS therefore denies them.

157. The IRS regulations to which this paragraph refers speak for themselves, and UBS refers to the content of such regulations and denies any allegations inconsistent therewith. UBS lacks sufficient information or knowledge to form a belief as to the remainder of the allegations in ¶ 157, and UBS therefore denies them.

158. UBS denies the allegations in ¶ 158 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 158 pertaining to other entities, and UBS therefore denies them.

159. The purported statement of Mr. Anderson referenced in ¶ 159 speaks for itself, and UBS denies any characterization of it. UBS denies the remainder of the allegations in ¶ 159 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 159 pertaining to other entities, and UBS therefore denies them.

160. UBS denies the allegations in ¶ 160 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 160 pertaining to other entities, and UBS therefore denies them.

161. UBS lacks sufficient information regarding the purported statements of CW's supervisor, and UBS therefore denies them. To the extent any further response is required, UBS denies the allegations in ¶ 161 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 161 pertaining to other entities, and UBS therefore denies them.

162. UBS denies the allegations in ¶ 162 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 162 pertaining to other entities, and UBS therefore denies them.

163. UBS denies the allegations in ¶ 163 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 163 pertaining to other entities, and UBS therefore denies them.

164. UBS denies the allegations in ¶ 164 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 164 pertaining to other entities, and UBS therefore denies them.

165. UBS denies the allegations in ¶ 165 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 165 pertaining to other entities, and UBS therefore denies them.

166. UBS denies the allegations in ¶ 166 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 166 pertaining to other entities, and UBS therefore denies them.

167. The allegations in ¶ 167 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS denies the allegations in ¶ 167 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 167 pertaining to other entities, and UBS therefore denies them.

168. UBS denies the allegations in ¶ 168 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 168 pertaining to other entities, and UBS therefore denies them.

169. UBS denies the allegations in ¶ 169 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge

to form a belief as to the truth of the allegations in ¶ 169 pertaining to other entities, and UBS therefore denies them.

170. UBS denies the allegations in ¶ 170 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 170 pertaining to other entities, and UBS therefore denies them.

171. The allegations in ¶ 171 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 171, and UBS therefore denies them.

172. The allegations in ¶ 172 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 172, and UBS therefore denies them.

173. The allegations in ¶ 173 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 173, and UBS therefore denies them.

174. The allegations in ¶ 174 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS denies the allegations in ¶ 174 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 174 pertaining to other entities, and UBS therefore denies them.

175. UBS denies the allegations in ¶ 175 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 175 pertaining to other entities, and UBS therefore denies them.

176. UBS denies the allegations in ¶ 176 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 176 pertaining to other entities, and UBS therefore denies them.

177. The allegations in ¶ 177 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 177, and UBS therefore denies them.

178. The allegations in ¶ 178 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 178, and UBS therefore denies them.

179. The allegations in ¶ 179 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 179, and UBS therefore denies them.

180. The allegations in ¶ 180 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient

information or knowledge to form a belief as to the truth of the allegations in ¶ 180, and UBS therefore denies them.

181. UBS denies the allegations in ¶ 181 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 181 pertaining to other entities, and UBS therefore denies them.

182. UBS denies the allegations in ¶ 182 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 182 pertaining to other entities, and UBS therefore denies them.

183. The allegations in ¶ 183 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 183, and UBS therefore denies them.

184. The allegations in ¶ 184 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 184, and UBS therefore denies them.

185. The allegations in ¶ 185 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 185, and UBS therefore denies them.

186. The allegations in ¶ 186 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 186, and UBS therefore denies them.

187. UBS denies the allegations in ¶ 187 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 187 pertaining to other entities, and UBS therefore denies them.

188. The allegations in ¶ 188 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 188, and UBS therefore denies them.

189. UBS denies that it was involved in any collusive or otherwise illegal activity. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 189, and UBS therefore denies them.

190. UBS denies that it was involved in any collusive or otherwise illegal activity. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations ¶ 190, and UBS therefore denies them.

191. UBS admits that certain types of swaps may be negotiated and that other types of swaps may be bid out through a competitive auction process. UBS denies that it was involved in any collusive or otherwise illegal activity. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 191.

Additionally, the last sentence of ¶ 191 contains purely speculative comments to which no response is required, and UBS therefore denies these allegations on that basis as well.

192. UBS denies the allegations in ¶ 192 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 192 pertaining to other entities, and UBS therefore denies them.

193. The IRS regulations to which this paragraph refers speak for themselves, and UBS refers to the content of such regulations and denies any allegations inconsistent therewith. UBS denies the remainder of the allegations in ¶ 193 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 193 pertaining to other entities, and UBS therefore denies them.

194. UBS denies the allegations in ¶ 194 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 194 pertaining to other entities, and UBS therefore denies them.

195. The allegations in ¶ 195 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 195, and UBS therefore denies them.

196. The allegations in ¶ 196 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient

information or knowledge to form a belief as to the truth of the allegations in ¶ 196, and UBS therefore denies them.

197. The allegations in ¶ 197 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 197, and UBS therefore denies them.

198. UBS denies that it was involved in any collusive or otherwise illegal activity. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 198, and UBS therefore denies them.

199. UBS denies that it was involved in any collusive or otherwise illegal activity. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 199, and UBS therefore denies them.

200. The allegations in ¶ 200 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 200, and UBS therefore denies them.

201. The allegations in ¶ 201 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 201, and UBS therefore denies them.

202. The allegations in ¶ 202 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient

information or knowledge to form a belief as to the truth of the allegations in ¶ 202, and UBS therefore denies them.

203. UBS denies the allegations in ¶ 203 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 203 pertaining to other entities, and UBS therefore denies them.

204. The allegations in ¶ 204 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 204, and UBS therefore denies them.

205. The allegations in ¶ 205 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS denies the allegations in ¶ 205 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 205 pertaining to other entities, and UBS therefore denies them.

206. The allegations in ¶ 206 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 206, and UBS therefore denies them.

207. The allegations in ¶ 207 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 207, and UBS therefore denies them.

208. The allegations in ¶ 208 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 208, and UBS therefore denies them.

209. The allegations in the first sentence of ¶ 209 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in the first sentence of ¶ 209, and UBS therefore denies them. The second sentence of ¶ 209 contains allegations that are overly generalized and simplistic, and UBS therefore denies them.

210. The allegations in ¶ 210 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 210, and UBS therefore denies them.

211. The allegations in ¶ 211 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 211, and UBS therefore denies them.

212. UBS denies the allegations in ¶ 212 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 212 pertaining to other entities, and UBS therefore denies them.

213. The allegations in ¶ 213 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient

information or knowledge to form a belief as to the truth of the allegations in ¶ 213, and UBS therefore denies them.

214. The allegations in ¶ 214 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 214, and UBS therefore denies them.

215. The allegations in ¶ 215 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 215, and UBS therefore denies them.

216. The allegations in ¶ 216 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 216, and UBS therefore denies them.

217. The allegations in ¶ 217 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 217, and UBS therefore denies them.

218. The allegations in ¶ 218 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 218, and UBS therefore denies them.

219. UBS denies the allegations in ¶ 219 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 219 pertaining to other entities, and UBS therefore denies them.

220. UBS denies the allegations in ¶ 220 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 220 pertaining to other entities, and UBS therefore denies them.

221. UBS denies the allegations in ¶ 221 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 221 pertaining to other entities, and UBS therefore denies them.

222. The allegations in ¶ 222 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS denies the allegations in ¶ 222 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 222 pertaining to other entities, and UBS therefore denies them.

223. The allegations in ¶ 223 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS denies the allegations in ¶ 223 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 223 pertaining to other entities, and UBS therefore denies them.

224. UBS denies the allegations in ¶ 224 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 224 pertaining to other entities, and UBS therefore denies them.

225. UBS denies the allegations in ¶ 225 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 225 pertaining to other entities, and UBS therefore denies them.

226. The allegations in ¶ 226 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 226, and UBS therefore denies them.

227. UBS denies the allegations in ¶ 227 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 227 pertaining to other entities, and UBS therefore denies them.

228. UBS lacks sufficient information or knowledge to form a belief as to the purported reactions of unidentified individual referenced in ¶ 228, and UBS therefore denies them. To the extent any further response is required, UBS denies the allegations in ¶ 228 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 228 pertaining to other entities, and UBS therefore denies them.

229. The allegations in ¶ 229 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 229, and UBS therefore denies them.

230. The allegations in ¶ 230 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS denies the allegations in ¶ 230 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 230 pertaining to other entities, and UBS therefore denies them.

231. UBS denies the allegations in ¶ 231 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 231 pertaining to other entities, and UBS therefore denies them.

232. The purported statement of Mr. Scott referenced in ¶ 232 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 232 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 232 pertaining to other entities, and UBS therefore denies them.

233. UBS denies the allegations in ¶ 233 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 233 pertaining to other entities, and UBS therefore denies them.

234. UBS denies the allegations in ¶ 234 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 234 pertaining to other entities, and UBS therefore denies them.

235. UBS denies the allegations in ¶ 235 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 235 pertaining to other entities, and UBS therefore denies them.

236. UBS denies the allegations in ¶ 236 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 236 pertaining to other entities, and UBS therefore denies them.

237. The allegations in ¶ 237 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 237, and UBS therefore denies them.

238. The allegations in ¶ 238 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 238, and UBS therefore denies them.

239. The allegations in ¶ 239 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient

information or knowledge to form a belief as to the truth of the allegations in ¶ 239, and UBS therefore denies them.

240. The allegations in ¶ 240 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 240, and UBS therefore denies them.

241. The allegations in ¶ 241 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 241, and UBS therefore denies them.

242. UBS denies the allegations in ¶ 242 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 242 pertaining to other entities, and UBS therefore denies them.

243. The allegations in ¶ 243 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 243, and UBS therefore denies them.

244. UBS denies the allegations in ¶ 244 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 244 pertaining to other entities, and UBS therefore denies them.

245. UBS denies the allegations in ¶ 245 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 245 pertaining to other entities, and UBS therefore denies them.

246. UBS denies that it was involved in any collusive or otherwise illegal conduct. UBS lacks sufficient information or knowledge as to the truth of the remainder of the allegations in ¶ 246, and UBS therefore denies them.

247. UBS denies that it was involved in any collusive or otherwise illegal conduct. UBS lacks sufficient information or knowledge to form a belief as to the remaining allegations in ¶ 247, and UBS therefore denies them.

248. The allegations in ¶ 248 are overly generalized and simplistic and UBS therefore denies them.

249. UBS denies the allegations in ¶ 249 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 249, and UBS therefore denies them.

250. UBS denies that it was involved in any collusive or otherwise illegal conduct. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 250, and UBS therefore denies them.

251. UBS denies that it was involved in any collusive or otherwise illegal conduct. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations ¶ 251, and UBS therefore denies them.

252. UBS denies that it was involved in any collusive or otherwise illegal conduct. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations ¶ 252 and UBS therefore denies them

253. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations regarding the purported information provided by Bank of America referenced in ¶ 253, and UBS therefore denies these allegations. To the extent any further response is required, UBS denies the allegations in ¶ 253 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 253 pertaining to other entities, and UBS therefore denies them.

254. UBS denies the allegations in ¶ 254 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 254 pertaining to other entities, and UBS therefore denies them.

255. UBS states that the purported email referenced in ¶ 255 speaks for itself, and UBS denies any characterization of it. UBS denies the remainder of the allegations in ¶ 255 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 255 pertaining to other entities, and UBS therefore denies them.

256. UBS states that the purported email referenced in ¶ 256 speaks for itself, and UBS denies any characterization of it. UBS denies the remainder of the allegations in ¶ 256 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks

sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 256 pertaining to other entities, and UBS therefore denies them.

257. UBS admits that it acquired PaineWebber Inc. in or about 2000. UBS states that the purported email referenced in ¶ 257 speaks for itself, and UBS denies any characterization of it. UBS denies the remainder of the allegations in ¶ 257 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 257 pertaining to other entities, and UBS therefore denies them.

258. Paragraph 258 contains no factual allegations to which a response is required, and on that basis is denied.

259. UBS states that the purported email referenced in ¶ 259 speaks for itself, and UBS denies any characterization of it. UBS denies the remainder of the allegations in ¶ 259 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 259 pertaining to other entities, and UBS therefore denies them.

260. The allegations in ¶ 260 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 260, and UBS therefore denies them.

261. The purported statement of Mr. Anderson referenced in ¶ 261 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 261, and UBS therefore denies them.

262. The allegations in ¶ 262 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 262, and UBS therefore denies them.

263. The allegations in ¶ 263 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 263, and UBS therefore denies them.

264. UBS denies that it was involved in any collusive or otherwise illegal conduct. UBS further states that the email referenced in ¶ 264 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the remainder of the allegations ¶ 264

265. UBS states that the purported email referenced in ¶ 265 speaks for itself, and UBS denies any characterization of it. UBS denies the remainder of the allegations in ¶ 265 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 265 pertaining to other entities, and UBS therefore denies them.

266. UBS denies the allegations in ¶ 266 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 266 pertaining to other entities, and UBS therefore denies them.

267. UBS denies the allegations in ¶ 267 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge

to form a belief as to the truth of the allegations in ¶ 267 pertaining to other entities, and UBS therefore denies them.

268. UBS states that the purported email referenced in ¶ 268 speaks for itself, and UBS denies any characterization of it. UBS denies the remainder of the allegations in ¶ 268 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 268 pertaining to other entities, and UBS therefore denies them.

269. UBS admits that brokers may receive payments for work performed on certain types of Municipal Derivatives transactions in various amounts and on varying terms. The remainder of ¶ 269 does not contain factual allegations to which a response is required, and on that basis is denied. To the extent any further response is required, UBS denies the allegations in ¶ 269 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 269 pertaining to other entities, and UBS therefore denies them.

270. The allegations in ¶ 270 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS denies the allegations in ¶ 270 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 270 pertaining to other entities, and UBS therefore denies them.

271. The allegations in ¶ 271 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 271, and UBS therefore denies them.

272. UBS admits that some Defendants recorded phone calls and tracked email communications of their employees at times. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 272, and UBS therefore denies them.

273. UBS denies the allegations in ¶ 273 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 273 pertaining to other entities, and UBS therefore denies them.

274. UBS denies the allegations in ¶ 274 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 274 pertaining to other entities, and UBS therefore denies them.

275. UBS denies the allegations in ¶ 275 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 275 pertaining to other entities, and UBS therefore denies them.

276. Paragraph 276 contains no factual allegations to which a response is required, and on that basis is denied.

277. UBS denies the allegations in ¶ 277.

278. UBS denies the allegations in ¶ 278 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 278 pertaining to other entities, and UBS therefore denies them.

279. UBS denies the allegations in ¶ 279 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 279 pertaining to other entities, and UBS therefore denies them.

280. The allegations in ¶ 280 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 280, and UBS therefore denies them.

281. The allegations in ¶ 281 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 281, and UBS therefore denies them.

282. UBS denies the allegations in ¶ 282 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 282 pertaining to other entities, and UBS therefore denies them.

283. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 283, and UBS therefore denies them.

284. The allegations in ¶ 284 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 284, and UBS therefore denies them.

285. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in the first sentence of ¶ 285, and UBS therefore denies them. UBS admits that a certain portion of the compensation received by employees during certain periods of time was in the form of bonuses awarded based on a range of different factors and considerations, but denies that there is anything inappropriate or illegal regarding this practice. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 285 pertaining to other entities, and UBS therefore denies them. UBS denies the remainder of the allegations in ¶ 285.

286. The allegations in ¶ 286 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 286, and UBS therefore denies them.

287. The allegations in ¶ 287 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 287, and UBS therefore denies them.

288. UBS denies the allegations in ¶ 288 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 288 pertaining to other entities, and UBS therefore denies them.

289. The allegations in ¶ 289 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient

information or knowledge to form a belief as to the truth of the allegations in ¶ 289, and UBS therefore denies them.

290. UBS denies the allegations in ¶ 290 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 290 pertaining to other entities, and UBS therefore denies them.

291. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 291, and UBS therefore denies them.

292. UBS denies the allegations in ¶ 292 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 292 pertaining to other entities, and UBS therefore denies them.

293. The allegations in ¶ 293 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 293, and UBS therefore denies them.

294. UBS denies that it was involved in any collusive or otherwise illegal activity. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 294, and UBS therefore denies them.

295. UBS denies the allegations in ¶ 295 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge

to form a belief as to the truth of the allegations in ¶ 295 pertaining to other entities, and UBS therefore denies them.

296. The allegations in ¶ 296 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 296, and UBS therefore denies them.

297. UBS admits that Peter Ghavami worked at JP Morgan before working at UBS and further admits that other individuals in the Municipal Derivatives business changed jobs at times. UBS denies that there is anything improper in changing jobs. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 297, and UBS therefore denies them.

298. The allegations contained in ¶ 298 are overly generalized and simplistic, and UBS therefore denies them.

299. UBS denies the allegations in ¶ 299 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 299, and UBS therefore denies them.

300. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 300, and UBS therefore denies them.

301. UBS admits the existence of SIFMA and that UBS was a member of SIFMA at various times. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 301 pertaining to other entities and individuals, and UBS therefore denies them.

302. UBS admits that SIFMA hosts certain conferences. The purported quote from the SIFMA website speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 302, and UBS therefore denies them.

303. UBS admits the existence of ISDA, that ISDA holds certain meetings, and that UBS was a member of ISDA at various times. The purported quote from the ISDA website speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 303, and UBS therefore denies them.

304. UBS admits the existence of the American Bankers Association and that UBS was a member of it at various times. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 304, and UBS therefore denies them.

305. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 305, and UBS therefore denies them.

306. The purported statement of Mr. Scott referenced in ¶ 306 speaks for itself, and UBS denies any characterization of it. To the extent that any further response is required, UBS denies the allegations in ¶ 306 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 306, and UBS therefore denies them.

307. The purported statement of Mr. Scott referenced in ¶ 307 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 307 to the extent they are intended to reference actions taken by or on

behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 307, and UBS therefore denies them.

308. UBS admits that the DOJ has announced an investigation relating to certain Municipal Derivatives products and that UBS has received document subpoenas from the DOJ. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 308, and UBS therefore denies them.

309. UBS denies the allegations in ¶ 309 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 309 pertaining to other entities, and UBS therefore denies them.

310. UBS denies the allegations in ¶ 310 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 310 pertaining to other entities, and UBS therefore denies them.

311. UBS denies the allegations in ¶ 311 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 311 pertaining to other entities, and UBS therefore denies them.

312. UBS denies the allegations in ¶ 312 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 312 pertaining to other entities, and UBS therefore denies them.

313. UBS denies the allegations in ¶ 313 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 313 pertaining to other entities, and UBS therefore denies them.

314. UBS denies the allegations in ¶ 314 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 314 pertaining to other entities, and UBS therefore denies them.

315. UBS denies the allegations in ¶ 315 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 315 pertaining to other entities, and UBS therefore denies them.

316. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations regarding the purported reactions of unidentified industry participants in ¶ 316, and UBS therefore denies them. UBS denies the remaining allegations in ¶ 316 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 316 pertaining to other entities, and UBS therefore denies them.

317. UBS denies the allegations in ¶ 317 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 317 pertaining to other entities, and UBS therefore denies them.

318. UBS denies the allegations in ¶ 318 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 318 pertaining to other entities, and UBS therefore denies them.

319. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in the first sentence of ¶ 319, and UBS therefore denies them. UBS denies the allegations in the second sentence of ¶ 319 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in the second sentence of ¶ 319 pertaining to other entities, and UBS therefore denies them.

320. The indictment referenced in ¶ 320 and its subparts speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 320 and its subparts to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 320 and its subparts pertaining to other entities, and UBS therefore denies them.

321. The indictment referenced in ¶ 321 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 321 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 321 pertaining to other entities, and UBS therefore denies them.

322. The indictment referenced in ¶ 322 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations

in ¶ 322 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 322 pertaining to other entities, and UBS therefore denies them.

323. The indictment referenced in ¶ 323 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 323 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 323 pertaining to other entities, and UBS therefore denies them.

324. The indictment referenced in ¶ 324 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 324 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 324 pertaining to other entities, and UBS therefore denies them.

325. The indictment referenced in ¶ 325 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 325 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 325 pertaining to other entities, and UBS therefore denies them.

326. The information from the indictment referenced in ¶ 326 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 326 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 326 pertaining to other entities, and UBS therefore denies them.

327. The indictment referenced in ¶ 327 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 327 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 327 pertaining to other entities, and UBS therefore denies them.

328. The information from the indictment referenced in ¶ 328 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 328 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 328 pertaining to other entities, and UBS therefore denies them.

329. The information from the indictment referenced in ¶ 329 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 329 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 329 pertaining to other entities, and UBS therefore denies them.

330. The information from the indictment referenced in ¶ 330 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 330 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 330 pertaining to other entities, and UBS therefore denies them.

331. The information from the indictment referenced in ¶ 331 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 331 to the extent they are intended to reference actions taken by or on

behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 331 pertaining to other entities, and UBS therefore denies them.

332. The information from the indictment referenced in ¶ 332 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 332 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 332 pertaining to other entities, and UBS therefore denies them.

333. The information from the indictment referenced in ¶ 333 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 333 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 333 pertaining to other entities, and UBS therefore denies them.

334. The information from the indictment referenced in ¶ 334 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 334 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 334 pertaining to other entities, and UBS therefore denies them.

335. The information from the indictment referenced in ¶ 335 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 335 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 335 pertaining to other entities, and UBS therefore denies them.

336. The information from the indictment referenced in ¶ 336 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 336 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 336 pertaining to other entities, and UBS therefore denies them.

337. The information from the indictment referenced in ¶ 337 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS states that the Bloomberg article referenced in ¶ 337 speaks for itself, and UBS denies any characterization of it. UBS denies the allegations in ¶ 337 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 337, and UBS therefore denies them.

338. The indictment referenced in ¶ 338 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 338 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 338 pertaining to other entities, and UBS therefore denies them.

339. The information from the indictment referenced in ¶ 339 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 339 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 339 pertaining to other entities, and UBS therefore denies them.

340. The information from the indictment referenced in ¶ 340 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 340 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 340 pertaining to other entities, and UBS therefore denies them.

341. The information from the indictment referenced in ¶ 341 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 341 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 341 pertaining to other entities, and UBS therefore denies them.

342. The information from the indictment referenced in ¶ 342 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 342 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 342 pertaining to other entities, and UBS therefore denies them.

343. The information from the indictment referenced in ¶ 343 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 343 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 343 pertaining to other entities, and UBS therefore denies them.

344. The information from the indictment referenced in ¶ 344 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 344 to the extent they are intended to reference actions taken by or on

behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 344 pertaining to other entities, and UBS therefore denies them.

345. The information from the indictment referenced in ¶ 345 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 345 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 345 pertaining to other entities, and UBS therefore denies them.

346. The information from the indictment referenced in ¶ 346 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS states that the Bloomberg article referenced in ¶ 346 speaks for itself, and UBS denies any characterization of it. UBS denies the allegations in ¶ 346 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 346, and UBS therefore denies them.

347. The information from the indictment referenced in ¶ 347 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 347 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 347 pertaining to other entities, and UBS therefore denies them.

348. The indictment referenced in ¶ 348 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 348 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS

lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 348 pertaining to other entities, and UBS therefore denies them.

349. The indictment referenced in ¶ 349 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 349 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 349 pertaining to other entities, and UBS therefore denies them.

350. The indictment referenced in ¶ 350 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 350 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 350 pertaining to other entities, and UBS therefore denies them.

351. The information from the indictment referenced in ¶ 351 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 351 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 351 pertaining to other entities, and UBS therefore denies them.

352. The information from the indictment referenced in ¶ 352 speaks for itself, and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 352 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 352 pertaining to other entities, and UBS therefore denies them.

353. The information from the indictment referenced in ¶ 353 speaks for itself and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 353 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 353 pertaining to other entities, and UBS therefore denies them.

354. The information from the indictment referenced in ¶ 354 speaks for itself and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 354 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 354 pertaining to other entities, and UBS therefore denies them.

355. The allegations in ¶ 355 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 355, and UBS therefore denies them.

356. The allegations in ¶ 356 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 356, and UBS therefore denies them.

357. The allegations in ¶ 357 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 357, and UBS therefore denies them.

358. The allegations in ¶ 358 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 358, and UBS therefore denies them.

359. The allegations in ¶ 359 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 359, and UBS therefore denies them.

360. The allegations in ¶ 360 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS denies the allegations in ¶ 360 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 360 pertaining to other entities, and UBS therefore denies them.

361. The allegations in ¶ 361 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 361, and UBS therefore denies them.

362. The allegations in ¶ 362 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS denies the allegations in ¶ 362 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 362 pertaining to other entities, and UBS therefore denies them.

363. The allegations in ¶ 363 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 363, and UBS therefore denies them.

364. UBS denies that it was involved in any collusive conduct or otherwise unlawful activity. To the extent that any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 364, and UBS therefore denies them.

365. The allegations in ¶ 365 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS denies the allegations in ¶ 365 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 365 pertaining to other entities, and UBS therefore denies them.

366. UBS denies the allegations in ¶ 366 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 366 pertaining to other entities, and UBS therefore denies them.

367. The allegations in ¶ 367 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 367, and UBS therefore denies them.

368. UBS admits that it entered into a Municipal Derivatives transaction with the Puerto Rico Electric Power Authority on or about June 11, 2002 and that PackerKiss was the

broker on that transaction, but denies that it was involved in any collusive or otherwise illegal activity relating to this transaction (or any other transaction). UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 368, and UBS therefore denies them.

369. UBS admits that it entered into a Municipal Derivatives transaction with the State of Rhode Island and Providence Planatations on or about June 20, 2002, and that First Southwest served as the broker on the transaction. UBS further admits that on or about June 27, 2002, UBS entered into a transaction with Bank of America in which it transferred certain of its rights and obligations relating to the escrow transaction to Bank of America. UBS denies that it was involved in any collusive or otherwise illegal activity relating to this transaction (or any other transaction). UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 369, and UBS therefore denies them.

370. The allegations in ¶ 370 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 370, and UBS therefore denies them.

371. The allegations in ¶ 371 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 371, and UBS therefore denies them.

372. UBS admits that it served as broker on a Municipal Derivatives transaction for the Commonwealth of Massachusetts bid out on or about June 19, 20002 and that Wachovia was the winning bidder on the transaction, but denies that it was involved in any

collusive or otherwise illegal activity relating to this transaction (or any other transaction). To the extent that any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 372, and UBS therefore denies them.

373. The allegations in ¶ 373 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 373, and UBS therefore denies them.

374. The allegations in ¶ 374 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 374, and UBS therefore denies them.

375. UBS denies that it was involved in any collusive or otherwise illegal activity relating to the transaction referenced in ¶ 375 (or any other transaction). To the extent that any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 375, and UBS therefore denies them.

376. The allegations in ¶ 376 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS denies the allegations in ¶ 376 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 376 pertaining to other entities, and UBS therefore denies them.

377. The allegations in ¶ 377 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient

information or knowledge to form a belief as to the truth of the allegations in ¶ 377, and UBS therefore denies them.

378. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 378, and UBS therefore denies them.

379. UBS denies the allegations in ¶ 379 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 379 pertaining to other entities, and UBS therefore denies them.

380. UBS denies the allegations in ¶ 380 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 380 pertaining to other entities, and UBS therefore denies them.

381. UBS states that the IRS regulations referenced in ¶ 381 speak for themselves, and UBS refers to the content of such regulations and denies any allegations inconsistent therewith. UBS states that the purported statement by Mr. Scott referenced in the last sentence of ¶ 381 speaks for itself, and UBS denies any characterization of it. UBS denies the remainder of the allegations ion ¶ 381, including the purported definition of a “courtesy bid.”

382. UBS states that the purported statement by Mr. Scott referenced in ¶ 382 speaks for itself, and UBS denies any characterization of it. To the extent that any further response is required, UBS denies the allegations contained in ¶ 382.

383. UBS states that the purported statement by Mr. Scott referenced in ¶ 383 speaks for itself, and UBS denies any characterization of it. To the extent that any further response is required, UBS denies the allegations contained in ¶ 383.

384. UBS states that the IRS regulations referenced in ¶ 384 speak for themselves, and UBS refers to the content of such regulations and denies any allegations inconsistent therewith. UBS denies the remainder of the allegations in ¶ 384.

385. The allegations contained in ¶ 385 are overly generalized and simplistic, and UBS therefore denies them.

386. UBS denies the allegations contained in the first sentence of ¶ 386. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 386, and UBS therefore denies them.

387. UBS denies that it was involved in any collusive or otherwise illegal activity. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 387, and UBS therefore denies them.

388. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 388, and UBS therefore denies them.

389. The allegations in ¶ 389 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 389, and UBS therefore denies them.

390. The allegations in ¶ 390 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 390, and UBS therefore denies them.

391. The allegations in ¶ 391 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient

information or knowledge to form a belief as to the truth of the allegations in ¶ 391, and UBS therefore denies them.

392. The allegations in ¶ 392 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS denies the allegations in ¶ 392 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 392, and UBS therefore denies them.

393. The allegations in ¶ 393 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 393, and UBS therefore denies them.

394. The allegations in ¶ 394 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 394, and UBS therefore denies them.

395. The allegations in ¶ 395 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 395, and UBS therefore denies them.

396. The allegations in ¶ 396 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 396, and UBS therefore denies them

397. The allegations in ¶ 397 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 397, and UBS therefore denies them.

398. The allegations in ¶ 398 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 398, and UBS therefore denies them.

399. The allegations in ¶ 399 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 399, and UBS therefore denies them.

400. The allegations in ¶ 400 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 400, and UBS therefore denies them.

401. The allegations in ¶ 401 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 401, and UBS therefore denies them.

402. The allegations in ¶ 402 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient

information or knowledge to form a belief as to the truth of the allegations in ¶ 402, and UBS therefore denies them.

403. UBS denies the allegations in ¶ 403 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 403, and UBS therefore denies them.

404. The allegations in ¶ 404 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 404, and UBS therefore denies them.

405. The allegations in ¶ 405 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 405, and UBS therefore denies them.

406. The allegations in ¶ 406 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 406, and UBS therefore denies them.

407. The allegations in ¶ 407 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 407, and UBS therefore denies them.

408. The allegations in ¶ 408 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient

information or knowledge to form a belief as to the truth of the allegations in ¶ 408, and UBS therefore denies them.

409. The allegations in ¶ 409 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 409, and UBS therefore denies them.

410. The allegations in ¶ 410 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 410, and UBS therefore denies them.

411. The allegations in ¶ 411 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 411, and UBS therefore denies them.

412. The allegations in ¶ 412 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 412, and UBS therefore denies them.

413. The allegations in ¶ 413 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 413, and UBS therefore denies them.

414. The allegations in ¶ 414 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 414, and UBS therefore denies them.

415. The allegations in ¶ 415 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 415, and UBS therefore denies them.

416. The allegations in ¶ 416 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 416, and UBS therefore denies them.

417. The allegations in ¶ 417 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 417, and UBS therefore denies them.

418. The allegations in ¶ 418 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 418, and UBS therefore denies them.

419. The allegations in ¶ 419 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS denies the allegations in ¶ 419 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks

sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 419, and UBS therefore denies them.

420. The allegations in ¶ 420 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 420, and UBS therefore denies them.

421. The allegations in ¶ 421 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 421, and UBS therefore denies them.

422. The allegations in ¶ 422 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 422, and UBS therefore denies them.

423. The allegations in ¶ 423 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 423, and UBS therefore denies them.

424. The allegations in ¶ 424 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 424, and UBS therefore denies them.

425. The allegations in ¶ 425 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 425, and UBS therefore denies them.

426. The allegations in ¶ 426 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 426, and UBS therefore denies them.

427. The allegations in ¶ 427 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 427, and UBS therefore denies them.

428. The allegations in ¶ 428 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 428, and UBS therefore denies them.

429. The allegations in ¶ 429 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 429, and UBS therefore denies them.

430. The allegations in ¶ 430 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient

information or knowledge to form a belief as to the truth of the allegations in ¶ 430, and UBS therefore denies them.

431. The allegations in ¶ 431 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 431, and UBS therefore denies them.

432. The allegations in ¶ 432 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 432, and UBS therefore denies them.

433. The allegations in ¶ 433 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, the IRS regulations referenced in ¶ 433 speak for themselves, and UBS refers to the content of such regulations and denies any allegations inconsistent therewith. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 433, and UBS therefore denies them.

434. The allegations in ¶ 434 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 434, and UBS therefore denies them.

435. The allegations in ¶ 435 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 435, and UBS therefore denies them.

436. The allegations in ¶ 436 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 436, and UBS therefore denies them.

437. The allegations in ¶ 437 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 437, and UBS therefore denies them.

438. The allegations in ¶ 438 are not directed toward UBS, and no response by UBS is therefore required. To the extent a further response is required, UBS admits that Bank of America has publicly stated that it entered into a Corporate Conditional Leniency Letter with the DOJ in connection with an investigation of certain Municipal Derivatives products. This Letter speaks for itself and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 438, and UBS therefore denies them.

439. The allegations in ¶ 439 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 439, and UBS therefore denies them.

440. The allegations in ¶ 440 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 440, and UBS therefore denies them.

441. The allegations in ¶ 441 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 441, and UBS therefore denies them.

442. The allegations in ¶ 442 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 442, and UBS therefore denies them.

443. The allegations in ¶ 443 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 443, and UBS therefore denies them.

444. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 444, and UBS therefore denies them.

445. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 445, and UBS therefore denies them.

446. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 446, and UBS therefore denies them.

447. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 447, and UBS therefore denies them.

448. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 448, and UBS therefore denies them.

449. UBS denies that it was involved in any collusive or otherwise illegal activity relating to the transaction referenced in ¶ 449 (or any other transaction). To the extent that any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 449, and UBS therefore denies them.

450. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 450, and UBS therefore denies them.

451. UBS denies that it was involved in any collusive or otherwise illegal activity relating to the transaction referenced in ¶ 451 (or any other transaction). To the extent that any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 451, and UBS therefore denies them.

452. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 452, and UBS therefore denies them.

453. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 453, and UBS therefore denies them.

454. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 454, and UBS therefore denies them.

455. UBS denies the allegations in ¶ 455 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 455 pertaining to other entities or to an undisclosed “analysis,” and UBS therefore denies them.

456. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 456, and UBS therefore denies them.

457. The allegations in ¶ 457 regarding the valuation of the swap referenced in ¶ 457 are overly generalized and simplistic, and UBS therefore denies them. Additionally, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 457, including those relating to an undisclosed “analysis,” and UBS therefore denies them on that basis as well.

458. The allegations in ¶ 458 regarding the valuation of the swap referenced in ¶ 458 are overly generalized and simplistic, and UBS therefore denies them. Additionally, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 458, including those relating to an undisclosed “analysis,” and UBS therefore denies them on that basis as well.

459. UBS denies that it was involved in any collusive or otherwise illegal activity relating to the transaction referenced in ¶ 459 (or any other transaction). The allegations in ¶ 459 regarding the valuation of the swap referenced in ¶ 459 are overly generalized and simplistic, and UBS therefore also denies them. Additionally, UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 459, and UBS therefore denies them.

460. The allegations in ¶ 460 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 460, and UBS therefore denies them.

461. The allegations in ¶ 461 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient

information or knowledge to form a belief as to the truth of the allegations in ¶ 461, and UBS therefore denies them.

462. The allegations in ¶ 462 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 462, and UBS therefore denies them.

463. The allegations in ¶ 463 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 463, and UBS therefore denies them.

464. The allegations in ¶ 464 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 464, and UBS therefore denies them.

465. The allegations in ¶ 465 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 465, and UBS therefore denies them.

466. The allegations in ¶ 466 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 466, and UBS therefore denies them.

467. The allegations in ¶ 467 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 467, and UBS therefore denies them.

468. The allegations in ¶ 468 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS denies the allegations in ¶ 468 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 468 pertaining to other entities, and UBS therefore denies them.

469. The allegations in ¶ 469 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 469, and UBS therefore denies them.

470. The allegations in ¶ 470 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 470, and UBS therefore denies them.

471. The allegations in ¶ 471 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS denies the allegations in ¶ 471 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 471 pertaining to other entities, and UBS therefore denies them.

472. The allegations in ¶ 472 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, the purported statements by Baum and IRS officials referenced in ¶ 472 speak for themselves, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 472, and UBS therefore denies them.

473. The allegations in ¶ 473 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS denies the allegations in ¶ 473 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 473 pertaining to other entities, and UBS therefore denies them.

474. UBS denies the allegations in ¶ 474 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 474 pertaining to other entities, and UBS therefore denies them.

475. The allegations in ¶ 475 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, the purported statement by Mr. Anderson speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 475, and UBS therefore denies them.

476. The allegations in ¶ 476 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS denies the allegations in ¶ 476 to the extent they are intended to reference actions taken by or on behalf of

UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 476 pertaining to other entities, and UBS therefore denies them.

477. The allegations in ¶ 477 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 477, and UBS therefore denies them.

478. The allegations in ¶ 478 and its subparts are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS states that the purported settlement with the IRS referenced in ¶ 478 and its subparts speaks for itself, and UBS denies any characterization of it. UBS denies the allegations in ¶ 478 and its subparts to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 478 and its subparts pertaining to other entities, and UBS therefore denies them.

479. The allegations in ¶ 479 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 479, and UBS therefore denies them.

480. The allegations in ¶ 480 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 480, and UBS therefore denies them.

481. The allegations in ¶ 481 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient

information or knowledge to form a belief as to the truth of the allegations in ¶ 481, and UBS therefore denies them.

482. The allegations in ¶ 482 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 482, and UBS therefore denies them.

483. The allegations in ¶ 483 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 483, and UBS therefore denies them.

484. The allegations in ¶ 484 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS states that the filings and complaint referenced in ¶ 484 speak for themselves, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 484, and UBS therefore denies them.

485. The allegations in ¶ 485 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS states that the filings and complaint referenced in ¶ 485 speak for themselves, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 485, and UBS therefore denies them.

486. The allegations in ¶ 486 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS states that the filings and complaint referenced in ¶ 486 speak for themselves, and UBS denies any

characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 486, and UBS therefore denies them.

487. The allegations in ¶ 487 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 487, and UBS therefore denies them.

488. The allegations in ¶ 488 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 488, and UBS therefore denies them.

489. The allegations in ¶ 489 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS states that the filings and complaint referenced in ¶ 489 speak for themselves, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 489, and UBS therefore denies them.

490. The allegations in ¶ 490 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS states that the filings and complaint referenced in ¶ 490 speak for themselves, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 490, and UBS therefore denies them.

491. The allegations in ¶ 491 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS states that the filings and complaint referenced in ¶ 491 speak for themselves, and UBS denies any

characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 491, and UBS therefore denies them.

492. The allegations in ¶ 492 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS states that the purported statement by Mr. Khuzami referenced in ¶ 492 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 492, and UBS therefore denies them.

493. The allegations in ¶ 493 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS states that the purported statement of Mr. Taylor quoted from the Bloomberg article referenced in ¶ 493 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 493, and UBS therefore denies them.

494. The allegations in ¶ 494 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS states that Mr. MacFaddin's FINRA filings referenced in ¶ 494 speak for themselves, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 494, and UBS therefore denies them.

495. The allegations in ¶ 495 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 495, and UBS therefore denies them.

496. The allegations in ¶ 496 are not directed toward UBS, and no response by UBS is therefore required. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 496, and UBS therefore denies them.

497. UBS denies the allegations in ¶ 497 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 497 pertaining to other entities, and UBS therefore denies them.

498. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 498, and UBS therefore denies them.

499. UBS denies the allegations in ¶ 499 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 499 pertaining to other entities, and UBS therefore denies them.

500. UBS denies the allegations in ¶ 500 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 500, and UBS therefore denies them.

501. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 501, and UBS therefore denies them.

502. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 502, and UBS therefore denies them.

503. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 503, and UBS therefore denies them.

504. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 504, and UBS therefore denies them.

505. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 505, and UBS therefore denies them.

506. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 506, and UBS therefore denies them.

507. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 507, and UBS therefore denies them.

508. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 508, and UBS therefore denies them.

509. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 509, and UBS therefore denies them.

510. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 510, and UBS therefore denies them.

511. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 511, and UBS therefore denies them.

512. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 512, and UBS therefore denies them.

513. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 513, and UBS therefore denies them.

514. UBS denies the allegations in ¶ 514 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 514 pertaining to other entities, and UBS therefore denies them.

515. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 515, and UBS therefore denies them.

516. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 516, and UBS therefore denies them.

517. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 517, and UBS therefore denies them.

518. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 518, and UBS therefore denies them.

519. UBS denies that it was involved in any collusive or otherwise illegal activity. To the extent that any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 518, and UBS therefore denies them.

520. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 520, and UBS therefore denies them.

521. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 521, and UBS therefore denies them.

522. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 522, and UBS therefore denies them.

523. UBS denies that it was involved in any collusive or otherwise illegal activity. To the extent that any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in the first sentence of ¶ 523, and UBS therefore denies them. UBS denies the allegations in the second sentence of ¶ 523 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in the second sentence of ¶ 523 pertaining to other entities, and UBS therefore denies them.

524. UBS admits that the DOJ is conducting an investigation relating to certain Municipal Derivatives products, and that UBS has received document subpoenas from the DOJ relating to this investigation. The purported statement of Ms Bloomquist referenced in ¶ 524 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 524, and UBS therefore denies them.

525. UBS admits that there are investigations by the DOJ, the SEC, and the IRS relating to certain Municipal Derivatives products. UBS further states that the purported statement of Charles Anderson referenced in ¶ 525 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 525, and UBS therefore denies them.

526. UBS admits it has received document subpoenas from the DOJ relating to its investigation of certain municipal derivatives products. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 526 pertaining to other entities, and UBS therefore denies them.

527. The subpoenas referenced in ¶ 527 speak for itself, and UBS denies any characterization of it. UBS denies all remaining allegations in ¶ 527.

528. UBS denies the allegations in ¶ 528 to the extent they are intended to reference actions taken by or on behalf of UBS. The purported SEC and FINRA filings referenced in ¶ 528 speak for themselves, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 528, and UBS therefore denies them.

529. UBS admits that there are investigations by the DOJ relating to certain Municipal Derivatives products. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 529, and UBS therefore denies them.

530. The purported statements by Mr. Blumenthal speak for themselves, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 530, and UBS therefore denies them.

531. UBS admits that Bank of America has publicly stated that it entered into a Corporate Conditional Leniency Letter with the DOJ in connection with an investigation of certain Municipal Derivatives products. That Letter speaks for itself, and UBS denies any characterization of it.

532. UBS denies that it has engaged in any collusive or otherwise illegal activity. UBS admits that Bank of America has publicly stated that it entered into a Corporate Conditional Leniency Letter with the DOJ in connection with an investigation of certain Municipal Derivatives products. That Letter speaks for itself, and UBS denies any

characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 532, and UBS therefore denies them.

533. The leniency program referenced in ¶ 533 speaks for itself, and UBS refers to the provisions of that program and denies any allegations inconsistent therewith.

534. The subpoenas referenced in ¶ 534 speak for themselves, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 534, and UBS therefore denies them.

535. The sections of the Antitrust Division Manual referenced in ¶ 535 speak for themselves, and UBS denies any characterization of it. UBS denies all remaining allegations in ¶ 535.

536. UBS admits that Bank of America has publicly stated that it entered into a Corporate Conditional Leniency Letter with the DOJ in connection with an investigation of certain Municipal Derivatives products. That Letter speaks for itself, and UBS denies any characterization of it. UBS denies all remaining allegations in ¶ 536.

537. UBS denies the allegations in ¶ 537 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 537 pertaining to other entities, and UBS therefore denies them.

538. UBS admits that the DOJ has made additional requests for documents to UBS subsequent to its initial subpoena. UBS denies that a receipt of a request for documents from DOJ is suggestive of wrongful or improper conduct, much less the existence of a conspiracy. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remainder of the allegations in ¶ 538, and UBS therefore denies them.

539. The DOJ policy referenced in ¶ 539 speaks for itself, and UBS denies any characterization of it. UBS denies all remaining allegations in ¶ 539 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 539 pertaining to other entities, and UBS therefore denies them.

540. The Bond Buyer article referenced in ¶ 540 speaks for itself, and UBS denies any characterization of it. To the extent that any further response is required, UBS denies all remaining allegations in ¶ 540 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 540, and UBS therefore denies them.

541. UBS admits that it has received a Wells Notice with regards to the SEC's investigation of certain Municipal Derivatives products. The Wells Notice speaks for itself and UBS denies any characterization of it. UBS denies all remaining allegations in ¶ 541 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 541 pertaining to other entities, and UBS therefore denies them.

542. UBS admits that Bank of America has publicly stated that it entered into a Corporate Conditional Leniency Letter with the DOJ in connection with an investigation of certain Municipal Derivatives products. The Letter speaks for itself and UBS denies any characterization of it. The SEC filing reference in ¶ 542 speaks for itself, and UBS denies any characterization of it. UBS denies all remaining allegations in ¶ 542.

543. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 543, and UBS therefore denies them.

544. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 544, and UBS therefore denies them.

545. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 545, and UBS therefore denies them.

546. UBS admits that an indictment was returned against CDR and three former employees of CDR on or about October 29, 2009, but denies any characterization of that document as the indictment speaks for itself. To the extent any further response is required, UBS denies the allegations in ¶ 546 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 546 pertaining to other entities, and UBS therefore denies them.

547. The indictment referenced in ¶ 547 speaks for itself and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 547 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 547 pertaining to other entities, and UBS therefore denies them.

548. The indictment referenced in ¶ 548 speaks for itself and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 548 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 548 pertaining to other entities, and UBS therefore denies them.

549. The indictment referenced in ¶ 549 speaks for itself and UBS denies any characterization of it.

550. The indictment referenced in ¶ 550 speaks for itself and UBS denies any characterization of it. To the extent any further response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 550, and UBS therefore denies them.

551. The indictment referenced in ¶ 551 speaks for itself and UBS denies any characterization of it.

552. The Bond Buyer article referenced in ¶ 552 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 552, and UBS therefore denies them.

553. The indictment referenced in ¶ 553 speaks for itself and UBS denies any characterization of it.

554. The indictment referenced in ¶ 554 speaks for itself and UBS denies any characterization of it.

555. UBS denies that it was involved in any collusive or otherwise illegal activity and denies the allegations of Paragraph 555 to the extent they are directed towards UBS. The Bloomberg article referenced in ¶ 555 speaks for itself, and UBS denies any characterization of it.

556. The indictment referenced in ¶ 556 and its subparts speaks for itself and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 556 and its subparts to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 556 and its subparts pertaining to other entities, and UBS therefore denies them.

557. The indictment referenced in ¶ 557 and its subparts speaks for itself and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 557 and its subparts to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 557 and its subparts pertaining to other entities, and UBS therefore denies them.

558. The indictment referenced in ¶ 558 and its subparts speaks for itself and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 558 and its subparts to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 558 and its subparts pertaining to other entities, and UBS therefore denies them.

559. The indictment referenced in ¶ 559 speaks for itself and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 559 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 559 pertaining to other entities, and UBS therefore denies them.

560. The indictment referenced in ¶ 560 speaks for itself and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 560 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 560 pertaining to other entities, and UBS therefore denies them.

561. The indictment referenced in ¶ 561 speaks for itself and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 561 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 561 pertaining to other entities, and UBS therefore denies them.

562. The indictment referenced in ¶ 562 speaks for itself and UBS denies any characterization of it. To the extent any further response is required, UBS denies the allegations in ¶ 562 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 562 pertaining to other entities, and UBS therefore denies them.

563. UBS admits that Bank of America has publicly stated that it entered into a Corporate Conditional Leniency Letter with the DOJ in connection with an investigation of certain Municipal Derivatives products. That Letter speaks for itself, and UBS denies any characterization of it. UBS denies the allegations in ¶ 563 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 563 and UBS therefore denies them.

564. UBS denies the allegations in ¶ 564 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 564 pertaining to other entities, and UBS therefore denies them.

565. The purported publicly available information referenced in ¶ 565 speaks for itself, and UBS denies any characterization of it. UBS denies that it was involved in any

collusive or otherwise illegal activity. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 565, and UBS therefore denies them.

566. UBS states that its Fourth Quarter 2006 Report referenced in ¶ 566 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of any remaining allegations in ¶ 566, and UBS therefore denies them.

567. UBS admits that Mr. Ghavami was an employee at UBS from on or about April 1999 until on or about January 2008. UBS states that Mr. Ghavami's FINRA report referenced in ¶ 567 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of any remaining allegations in ¶ 567, and UBS therefore denies them.

568. UBS admits that it received a Wells notice on or about February 4, 2008. The Wells Notice speaks for itself, and UBS denies any characterization of it. UBS denies any remaining allegations in ¶ 568.

569. UBS states that the public filings of JP Morgan purportedly referenced in ¶ 569 speak for themselves, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 569, and UBS therefore denies them.

570. UBS states that the public filings of JP Morgan purportedly referenced in ¶ 570 speak for themselves, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 570, and UBS therefore denies them.

571. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 571, and UBS therefore denies them.

572. UBS states that the FINRA reports purportedly referenced in ¶ 572 and its subparts speaks for themselves, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 572 and its subparts, and UBS therefore denies them.

573. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 573, and UBS therefore denies them.

574. UBS states that the FINRA report purportedly referenced in ¶ 574 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 574, and UBS therefore denies them.

575. UBS states that the FINRA report purportedly referenced in ¶ 575 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 575, and UBS therefore denies them.

576. UBS states that the FINRA report purportedly referenced in ¶ 576 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 576, and UBS therefore denies them.

577. UBS states that the public filings of Bear Stearns purportedly referenced in ¶ 577 speak for themselves, and UBS denies any characterization of them. UBS lacks

sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 577, and UBS therefore denies them.

578. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 578, and UBS therefore denies them.

579. UBS states that the public filings of Bear Stearns purportedly referenced in ¶ 579 speak for themselves, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 579, and UBS therefore denies them.

580. UBS states that the public filings of Piper Jaffrey purportedly referenced in ¶ 580 speak for themselves, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 580, and UBS therefore denies them.

581. UBS states that the FINRA report purportedly referenced in ¶ 581 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 581, and UBS therefore denies them.

582. UBS states that the public filing of Wachovia purportedly referenced in ¶ 582 speaks for itself, and UBS denies any characterization of them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 582, and UBS therefore denies them.

583. UBS states that the FINRA report purportedly referenced in ¶ 583 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or

knowledge to form a belief as to the truth of the remaining allegations in ¶ 583, and UBS therefore denies them.

584. UBS states that the public filing of Wachovia purportedly referenced in ¶ 584 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 584, and UBS therefore denies them.

585. UBS states that the public filing of Wells Fargo purportedly referenced in ¶ 585 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 585, and UBS therefore denies them.

586. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 586, and UBS therefore denies them.

587. UBS states that the public filing of FSA Holdings purportedly referenced in ¶ 587 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 587, and UBS therefore denies them.

588. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 588, and UBS therefore denies them.

589. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 589, and UBS therefore denies them.

590. UBS states that the public filing of CDC purportedly referenced in ¶ 590 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or

knowledge to form a belief as to the truth of the remaining allegations in ¶ 590, and UBS therefore denies them.

591. UBS incorporates its answers to the preceding paragraphs of this Complaint as if set forth herein.

592. UBS denies the allegations in ¶ 592 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 592 pertaining to other entities, and UBS therefore denies them.

593. UBS denies the allegations contained in the first, second, fourth and fifth sentences of ¶ 593. The third sentence of ¶ 593 contains legal conclusions to which no response is required, and on that basis is denied. The Bond Buyer article referenced in the sixth sentence of ¶ 593 speaks for itself, and UBS denies any characterization of it. UBS denies all remaining allegations in ¶ 593.

594. UBS states that the publicly available information referenced in ¶ 594 speaks for itself, and UBS denies any characterization of it. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations of ¶ 594, and UBS therefore denies them.

595. UBS states that the IRS regulations referenced in the first sentence of ¶ 595 speak for themselves, and UBS refers to these regulations and denies any allegations inconsistent therewith. UBS denies the remainder of the allegations in ¶ 595 to the extent they are intended to reference UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 595 related to other entities, and UBS therefore denies them.

596. The allegations in ¶ 596 are not directed toward UBS, and no response by UBS is therefore required. To the extent a response is required, UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 596, and UBS therefore denies them.

597. The Bond Buyer and Bloomberg articles referenced in ¶ 597 speak for themselves, and UBS denies any characterization of them. UBS denies the remainder of the allegations in ¶ 597 to the extent they are intended to reference UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 597 related to other entities, and UBS therefore denies them.

598. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in the first sentence of ¶ 598, and UBS therefore denies them. UBS admits that some issuers of Municipal Derivatives used bid forms with language similar to the language described in the second sentence of ¶ 598 when soliciting bids for certain types of Municipal Derivatives products. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 598, and UBS therefore denies them.

599. UBS denies the allegations in the first sentence of ¶ 599 to the extent they are intended to reference UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in the first sentence of ¶ 599 related to other entities, and UBS therefore denies them. UBS lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations in ¶ 599, and UBS therefore denies them.

600. UBS denies the allegations in ¶ 600 and its subparts to the extent they are intended to reference UBS. UBS lacks sufficient information or knowledge to form a belief as to

the truth of the allegations in ¶ 600 and its subparts pertaining to other entities, and UBS therefore denies them.

601. UBS denies the allegations in ¶ 601 to the extent they are intended to reference UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 601 pertaining to other entities, and UBS therefore denies them.

602. UBS denies the allegations in ¶ 602 to the extent they are intended to reference UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 602 pertaining to other entities, and UBS therefore denies them.

603. UBS denies the allegations in ¶ 603 to the extent they are intended to reference UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 603 pertaining to other entities, and UBS therefore denies them.

604. UBS denies the allegations in the first sentence of ¶ 604 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in the first sentence of ¶ 604 pertaining to other entities, and UBS therefore denies them. The Bond Buyer and Bloomberg articles referenced in the second, third and fourth sentences of ¶ 604 speak for themselves, and UBS denies any characterization of them. The final sentence of ¶ 604 contains legal conclusions to which no response is required, and on that basis is denied.

605. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 605, and UBS therefore denies them.

606. Paragraph 606 contains legal conclusions to which no response is required. To the extent a response is required, UBS denies the allegations in ¶ 606 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient

information or knowledge to form a belief as to the truth of the allegations in ¶ 606 pertaining to other entities, and UBS therefore denies them.

607. UBS states that public filings of Bank America purportedly referenced in ¶ 607 and the CDR indictment speak for themselves, and UBS denies any characterization of them. UBS denies all remaining allegations in ¶ 607. UBS denies the remainder of the allegations in ¶ 607 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 607 pertaining to other entities, and UBS therefore denies them.

608. UBS admits that Peter Ghavami left UBS on or about January 2008. UBS admits that Mark Zaino left UBS on or about December 2006. UBS denies the remainder of the allegations in ¶ 608 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 608 pertaining to other entities and individuals, and UBS therefore denies them. UBS denies all remaining allegations in ¶ 608.

609. UBS denies the allegations in ¶ 609 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 609 pertaining to other entities, and UBS therefore denies them.

610. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in the first sentence of ¶ 610 pertaining to other entities, and UBS therefore denies them. The second sentence of ¶ 610 contains legal conclusions to which no response is required and on that basis is denied. To the extent any further response is required, UBS denies the allegations in the second sentence ¶ 610 to the extent they are intended to

reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in the second sentence ¶ 610 pertaining to other entities, and UBS therefore denies them.

611. Paragraph 611 contains legal conclusions to which no response is required, and on that basis is denied. To the extent that any further response is required, UBS denies the allegations in ¶ 611 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 611 pertaining to Plaintiff and other entities, and UBS therefore denies them.

612. UBS incorporates its answers to the preceding paragraphs of this Complaint as if set forth herein.

613. Paragraph 613 contains legal conclusions to which no response is required, and on that basis is denied. To the extent that any further response is required, UBS denies the allegations in ¶ 613 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 613 pertaining to other entities, and UBS therefore denies them.

614. Paragraph 614 and its subparts contains legal conclusions to which no response is required, and on that basis is denied. To the extent that any further response is required, UBS denies the allegations in ¶ 614 and its subparts to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 614 and its subparts pertaining to other entities, and UBS therefore denies them.

615. Paragraph 615 contains legal conclusions to which no response is required, and on that basis is denied. To the extent that any further response is required, UBS

denies the allegations in ¶ 615 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 615 pertaining to other entities, and UBS therefore denies them.

616. Paragraph 616 contains legal conclusions to which no response is required, and on that basis is denied. To the extent that any further response is required, UBS denies the allegations in ¶ 616 to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 616 pertaining to other entities, and UBS therefore denies them.

617. Paragraph 617 contains legal statements to which no response is required. To the extent a response is required, UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 617 pertaining to other entities, and UBS therefore denies them.

618. Paragraph 618 contains legal statements to which no response is required. To the extent a response is required, UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 618 pertaining to other entities, and UBS therefore denies them.

619. Paragraph 619 contains legal statements to which no response is required. To the extent a response is required, UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 619 pertaining to other entities, and UBS therefore denies them.

620. UBS incorporates its answers to the preceding paragraphs of this Complaint as if set forth herein.

621. Paragraph 621 contains legal conclusions to which no response is required. To the extent a response is required, UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 621 pertaining to other entities, and UBS therefore denies them.

622. Paragraph 622 contains legal conclusions to which no response is required. To the extent a response is required, UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 622 pertaining to other entities, and UBS therefore denies them.

623. Paragraph 623 and its subparts contains legal conclusions to which no response is required. To the extent a response is required, UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 623 and its subparts pertaining to other entities, and UBS therefore denies them.

624. UBS denies the allegations in ¶ 624 and its subparts to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 624 and its subparts pertaining to other entities, and UBS therefore denies them.

625. Paragraph 625 contains legal conclusions to which no response is required. To the extent a response is required, UBS denies the allegations to the extent they are

intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 625 pertaining to other entities, and UBS therefore denies them.

626. UBS admits that Plaintiff seeks to recover treble damages and the cost of this suit. To the extent that any further response is required, these allegations are denied.

627. UBS incorporates its answers to the preceding paragraphs of this Complaint as if set forth herein.

628. Paragraph 628 contains legal conclusions to which no response is required. To the extent a response is required, UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 628 pertaining to other entities, and UBS therefore denies them.

629. Paragraph 629 contains legal conclusions to which no response is required. To the extent a response is required, UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 629 pertaining to other entities, and UBS therefore denies them.

630. Paragraph 630 and its subparts contains legal conclusions to which no response is required. To the extent a response is required, UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 630 and its subparts pertaining to other entities, and UBS therefore denies them.

631. UBS denies the allegations in ¶ 631 and its subparts to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 631 and its subparts pertaining to other entities, and UBS therefore denies them.

632. Paragraph 632 contains legal conclusions to which no response is required. To the extent a response is required, UBS denies the allegations to the extent they are intended to reference actions taken by or on behalf of UBS. UBS lacks sufficient information or knowledge to form a belief as to the truth of the allegations in ¶ 632 pertaining to other entities, and UBS therefore denies them.

633. Paragraph 633 contains legal conclusions to which no response is required. To the extent a response is required, UBS admits that Plaintiff seeks to recover attorneys' fees. UBS denies all remaining allegations in ¶ 633.

634. UBS denies the allegations contained in ¶ 634.

635. UBS admits that Plaintiff requests judgment in its favor. UBS denies all remaining allegations in ¶ 635.

UBS further states that to the extent that any allegation which is asserted in the Complaint (including headings, and the "Prayer for Relief") is not specifically admitted herein, such allegation is hereby expressly denied.

#### **AFFIRMATIVE DEFENSES**

UBS sets forth below its affirmative defenses. By setting forth these affirmative defenses, UBS does not assume the burden of proof for any issue, fact or element of a claim as to which applicable law places the burden on Plaintiff.

**FIRST AFFIRMATIVE DEFENSE**

The Complaint, in whole or in part, fails to state a claim upon which relief may be granted.

**SECOND AFFIRMATIVE DEFENSE**

Plaintiff's claims are barred, in whole or in part, by the applicable statute of limitations.

**THIRD AFFIRMATIVE DEFENSE**

Plaintiff's claims are barred, in whole or in part, by the equitable doctrines of laches, estoppel, waiver and unclean hands.

**FOURTH AFFIRMATIVE DEFENSE**

The Complaint fails to plead the circumstances constituting fraudulent concealment with the particularity required by Rule 9(b) of the Federal Rules of Civil Procedure.

**FIFTH AFFIRMATIVE DEFENSE**

Plaintiff's claims are barred, in whole or in part, by Plaintiff's lack of standing.

**SIXTH AFFIRMATIVE DEFENSE**

To the extent that UBS is considered a co-conspirator in any antitrust conspiracy alleged by Plaintiff, UBS withdrew from any such conspiracy.

**SEVENTH AFFIRMATIVE DEFENSE**

Plaintiff's claims are barred, in whole or in part, for failing to mitigate damages.

**EIGHTH AFFIRMATIVE DEFENSE**

Plaintiff's claims and any damages, to the extent any exist, are barred, in whole or in part, by the federal statutes and regulations, and enforcement thereof, governing the investment of the proceeds of tax-exempt bonds.

### **NINTH AFFIRMATIVE DEFENSE**

Plaintiff's claims are barred, in whole or in part, because Plaintiff has not suffered injury in fact.

### **TENTH AFFIRMATIVE DEFENSE**

Plaintiff's claims are barred, in whole or in part, because Plaintiff has suffered no antitrust injury as the result of the alleged conduct because, among other reasons, it had no right to earn arbitrage on any investment of the proceeds from the issuance of tax-exempt bonds.

### **ELEVENTH AFFIRMATIVE DEFENSE**

Plaintiff's claims are barred, in whole or in part, because its alleged damages, if any, are too remote and/or speculative to allow recovery.

### **TWELFTH AFFIRMATIVE DEFENSE**

Any injury or damage to Plaintiff, to the extent that any exist, was caused, in whole or in part, by the conduct of third parties for whom UBS was not responsible.

### **THIRTEENTH AFFIRMATIVE DEFENSE**

To the extent that Plaintiff is deemed to have participated in the alleged anticompetitive scheme and/or misconduct, its claims are barred.

### **FOURTEENTH AFFIRMATIVE DEFENSE**

The Complaint concerns conduct expressly or impliedly immune from the antitrust laws.

### **FIFTEENTH AFFIRMATIVE DEFENSE**

Some of Plaintiff's claims may be subject to forum-selection clauses.

## **SIXTEENTH AFFIRMATIVE DEFENSE**

Plaintiff has failed to allege facts sufficient to support a claim for attorneys' fees or costs.

## **SEVENTEENTH AFFIRMATIVE DEFENSE**

Plaintiff's claims are barred, in whole or in part, to the extent that any of the events alleged took place outside the state of California without impact on California residents.

## **EIGHTEENTH AFFIRMATIVE DEFENSE**

Plaintiff lacks standing to prosecute its state antitrust claims, in whole or in part, under Cal. Bus. & Prof. Code §§ 16700, *et seq.*

## **NINETEENTH AFFIRMATIVE DEFENSE**

Plaintiff's cause of action for alleged violations of Cal. Bus. & Prof. Code §§ 16700, *et seq.* is barred, in whole or in part, because those statutes are inapplicable to alleged wrongs suffered by non-California residents based on alleged conduct of UBS occurring outside of California.

## **TWENTIETH AFFIRMATIVE DEFENSE**

Any award of treble damages, punitive damages and/or restitution pursuant to Cal. Bus. & Prof. Code §§ 16700, *et seq.*, would violate the Excessive Fines and Due Process Clauses of the United States and California Constitutions.

## **TWENTY-FIRST AFFIRMATIVE DEFENSE**

Plaintiff's claims for attorneys' fees are barred by Cal. Code Civ. Proc. § 1021.

## **TWENTY-SECOND AFFIRMATIVE DEFENSE**

UBS adopts by reference all other applicable defenses asserted by all other parties.

**TWENTY-THIRD AFFIRMATIVE DEFENSE**

UBS hereby gives notice that it intends to rely upon such other defenses as may become available or appear during discovery proceedings in this case and hereby reserves the right to amend its Answer to assert any such defense.

**JURY TRIAL DEMAND**

UBS demands a trial by jury of all issues triable by a jury.

**PRAYER FOR RELIEF**

**WHEREFORE**, UBS prays as follows:

1. That this action be dismissed with prejudice and that Plaintiff takes nothing by its Complaint;
2. That judgment be entered in favor of UBS and against Plaintiff with respect to the causes of action asserted in the Complaint;
3. That the Court award UBS reasonable costs and expenses including, but not limited to, attorneys' fees and costs of suit; and
4. That the Court award such other relief as may be appropriate.

Dated: June 28, 2010

By: /s/ Christopher N. Manning

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*Counsel for UBS AG, UBS Financial  
Services, Inc., and UBS Securities LLC*

**CERTIFICATE OF SERVICE**

I, Jesse T. Smallwood, hereby certify that on June 28, 2010, I caused the attached *UBS AG's, UBS Financial Services, Inc.'s, and UBS Securities LLC's Answer to City of Stockton's Third Amended Complaint* to be served upon the attorney of record for each party by transmission through the Court's electronic filing system.

/s/ Jesse T. Smallwood  
Jesse T. Smallwood